CASCADES INC.
Institutional Investors Road Show
New York (NY), USA
June 22, 2015
DISCLAIMER

Certain statements in this presentation, including statements regarding future results and performance, are forward-looking statements within the meaning of securities legislation based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, decreases in demand for Cascades Inc.’s (“Cascades,” “CAS,” the “Company,” “us” or “we”) products, the prices and availability of raw materials, changes in the relative values of certain currencies, fluctuations in selling prices and adverse changes in general market and industry conditions. This presentation may also include price indices as well as variance and sensitivity analyses that are intended to provide the reader with a better understanding of the trends related to our business activities. These items are based on the best estimates available to the Company.

The financial information included in this presentation also contains certain data that are not measures of performance under IFRS (“non-IFRS measures”). For example, the Company uses operating income before depreciation and amortization (“OIBD” which for purposes of this presentation we call, “EBITDA”) and operating income before depreciation and amortization (excluding specific items) (“OIBD (excluding specific items)” which for purposes of this presentation we call, “EBITDA (excluding specific items)”) because such measures are used by management to assess the operating and financial performance of the Company’s operating segments. Such information is reconciled to the most directly comparable financial measures, as set forth in the “Supplemental Information on Non-IFRS Measures” section of our most recent quarterly report or annual report.

Specific items are defined as items such as charges for or reversal of impairment of assets, for facility or machine closures, accelerated depreciation of assets due to restructuring measures, discontinued operations, premiums paid on long-term debt refinancing, loss on refinancing of long-term debt, gains or losses on sales of business units, gains or losses on the share of results of associates and joint ventures, unrealized gains or losses on derivative financial instruments that do not qualify for hedge accounting, unrealized gains or losses on interest rate swaps, foreign exchange gains or losses on long-term debt and other significant items of an unusual or non-recurring nature.

All amounts in this presentation are in Canadian dollars unless otherwise indicated.
 MANAGEMENT PRESENTERS

Mario Plourde
President & Chief Executive Officer
• President, Chief Executive Officer since 2013
• Previously served as Chief Operating Officer and President of the Specialty Products Group

Allan Hogg
Vice President & Chief Financial Officer
• Vice President, Chief Financial Officer since 2010
• Previously served as VP Finance, Director of Finance and Treasurer and Corporate Controller of Cascades

Riko Gaudreault
Director, Investor Relations and Business Strategies
• With the Company since 2012
• Previously worked for a Canadian financial institution
COMPANY OVERVIEW
Balance Play in Healthier Sectors of the Paper Industry

- Founded in 1964 by the Lemaire family and headquartered in Kingsey Falls, QC

- Produces, converts and markets packaging and tissue products principally composed of recycled fibre

  - Balanced play in less cyclical sectors

  - Heavy exposure to two of the strongest paper segments: Tissue and Containerboard

  - Market leader across many of its primary product offerings

- Unique culture – green visionaries, turnarounds, entrepreneurial philosophy

- ~10,700 employees worldwide

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1 Before corporate activities
2 EBITDA excluding specific items
COMPANY OVERVIEW
Leading Packaging and Tissue Paper Manufacturer

Packaging Products

**Containerboard**
- Leader in Canada
- #6 in North America

**Boxboard Europe**
- #2 in Europe

**Specialty Products**
- Largest paper collector in Canada
  - 33% of Sales\(^1\)
  - 48% of EBITDA\(^{1,2}\)
  - EBITDA Margin\(^2\): 15%

**Tissue Papers**
- #1 in Canada
- #4 in North America
  - 22% of Sales\(^1\)
  - 17% of EBITDA\(^{1,2}\)
  - EBITDA Margin\(^2\): 8%

\(^1\) Before inter-segment sales and corporate activities
\(^2\) Excluding specific items
COMPANY OVERVIEW
Sales and Operations Across North America and Europe

Sales from (in %)
- Europe: 25%
- Canada: 50%
- US: 25%

Sales to (in %)
- Europe: 26%
- Canada: 36%
- US: 38%

Operating Units (in %)
- Europe: 10%
- US: 30%
- Canada: 60%

PP&E by Geographic Segment (in %)
- Europe: 21%
- Canada: 54%
- US: 25%

Note: Figures as of December 31, 2014
COMPANY OVERVIEW
Closed-loop Business Model

Recovery
• 18 units
80% recycled fibre (2.7M tons)
NA integration rate (2014):
30% (0.41M tons)

Manufacturing\(^2\)
• Containerboard 6 units
• Boxboard Europe: 7 units
• Specialty Products: 3 units
• Tissue Papers: 11 units
27 units

Converting\(^2\)
• Containerboard: 22 units
• Specialty Products: 17 units
• Tissue Papers: 13 units
52 units

CLients

Integrated Rate for our containerboard activities in North America (considering 100% of Greenpac’s production as internal capacity)
Including Reno De Medici’s units and Greenpac. Also including four manufacturing/converting tissue papers units which are counted in both Converting and Manufacturing.

Finished Products
• Trims and rejects sent to recycling centers

Upstream and downstream integration in North America

1 Integration rate for our containerboard activities in North America (considering 100% of Greenpac’s production as internal capacity)
2 Including Reno De Medici’s units and Greenpac. Also including four manufacturing/converting tissue papers units which are counted in both Converting and Manufacturing.
BUSINESS DRIVERS
Price Dynamics

Containerboard - Selected Benchmarks
(TU$/s.t.)

Tissue Papers - Selected Benchmarks
(US$/s.t.)

- Prices relatively stable since early 2013
  - Recent decrease in medium prices

- Market still under pressure:
  - Additional capacity coming to market
  - Reasonable recovered paper prices

Source: RISI
BUSINESS DRIVERS
Shipments

- Increase in shipments due to the ramp-up of Oregon and Santa Giustina paper machines
- An increase in total shipments has led to utilization rates\(^2\) hovering around 97%
  - Containerboard – 91%
  - Boxboard Europe – 101%
  - Tissue Papers – 98%

\(^1\) Excludes Specialty Products segment
\(^2\) Defined as: Manufacturing internal and external shipments/practical capacity
BUSINESS DRIVERS
Foreign Exchange Rates

Foreign exchange – Historical

Foreign exchange – Forecasts

- Sensitivity to a change of $0.01 CAN vs $US
- EBITDA = ~$4M
- Debt = ~$8M

A weak Canadian dollar will help our cash flow generation

Source: Bloomberg

1 Average of six largest Canadian banks
BUSINESS DRIVERS
Costs by Nature (LTM 03/31/2015)

- Raw materials: 35%
- Chemicals and production supplies: 12%
- Wages and employee benefits expenses: 19%
- Energy: 9%
- Freight: 8%
- Depreciation and amortization: 6%
- Others: 11%

Raw materials (including chemicals and supplies) = nearly half of COGS
## RAW MATERIALS
### Fibre costs

### Recycled Fibre North American List Prices
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>150</td>
<td>140</td>
<td>130</td>
<td>120</td>
<td>110</td>
<td>100</td>
<td>90</td>
<td>80</td>
<td>70</td>
<td>60</td>
<td>50</td>
<td>40</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Brown</td>
<td>80</td>
<td>70</td>
<td>60</td>
<td>50</td>
<td>40</td>
<td>30</td>
<td>20</td>
<td>10</td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
</tr>
</tbody>
</table>

**OBM Average Quarterly List Prices**

- **Brown grades - OCC No. 11 (Northeast)**
  - Q2-2014: 108
  - Q1-2015: 83
  - QTD2-2015: 80
  - QTD2/Q2: -26%
  - QTD2/Q1: -4%

- **White grades - SOP No. 37 (Northeast)**
  - Q2-2014: 160
  - Q1-2015: 163
  - QTD2-2015: 160
  - QTD2/Q2: 0%
  - QTD2/Q1: -2%

**Virgin Pulp Prices**

- **NBSK (Canadian sources delivered to US East)**
  - Mar 12: 1,030
  - June 12: 995
  - Sept 12: 980
  - Dec 12: 980
  - Mar 13: 995
  - June 13: 980
  - Sept 13: 980
  - Dec 13: 980
  - Mar 14: 995
  - June 14: 980
  - Sept 14: 980
  - Dec 14: 980
  - Mar 15: 995
  - June 15: 980

- **NBHK (Canada/US sources delivered to US East)**
  - Mar 12: 873
  - June 12: 843
  - Sept 12: 873
  - Dec 12: 873
  - Mar 13: 843
  - June 13: 873
  - Sept 13: 873
  - Dec 13: 873
  - Mar 14: 843
  - June 14: 873
  - Sept 14: 873
  - Dec 14: 873
  - Mar 15: 843
  - June 15: 873

**Reasonable recovered paper prices; high pulp prices**

*Source: RISI*
RAW MATERIALS
Asian Demand for Recovered Papers

US OCC exports to China – Historical

China OCC imports – Historical

‘000 s.t.

Lower demand last 2 years

Represents ~ 50% of all recovered paper exports to China

~ 40% of China imports of OCC comes from the U.S.
RAW MATERIALS
Reliable Sourcing Strategy

Cascades’ North American Recycled Fibre Supply

2014

Most of the fibre supply coming from internal sources, contracts and regular streams

Top Recovered Paper Suppliers in the World

Our Strategy

- Constant review of our inventory strategy
- Ensure control over fibre supply with potential increase of tons under control
- Develop substitute grades

- Potential to increase virgin content in certain circumstances
- Continue to close the loop with customers retailers

1 Including volume treated for Greenpac
CONTAINERBOARD
Environment Still Positive

North American Containerboard Producers

2014 Industry Participants

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>% of total capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>IP</td>
<td>33%</td>
</tr>
<tr>
<td>2</td>
<td>Rock Tenn</td>
<td>20%</td>
</tr>
<tr>
<td>3</td>
<td>Koch/GP</td>
<td>10%</td>
</tr>
<tr>
<td>4</td>
<td>PCA</td>
<td>9%</td>
</tr>
<tr>
<td>5</td>
<td>Kapstone</td>
<td>4%</td>
</tr>
<tr>
<td>6</td>
<td>Cascades¹</td>
<td>4%</td>
</tr>
<tr>
<td>7</td>
<td>Pratt</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>17%</td>
</tr>
</tbody>
</table>

Top-5 Producers 76%

Fundamentals strong despite added capacity

Operating Rates and Expected Capacity

(Operating rate)

(Million s.t.)

Source: RISI, Deutsche Bank, Company reports and estimates
¹ Including 59.7% of Greenpac’s total capacity
CONTAINERBOARD
Our Strategic Move: Greenpac

• Largest recycled linerboard mill in NA:
  1,500 s.t./day of lightweight recycled linerboard (26 pounds)
  • Q1-2015 average daily production: 1,260 s.t.

• Product differentiation

• State-of-the-art equipment

• Take-or-pay agreement for 81% of the mill’s output

• Significant ownership at 59.7%¹:
  • Partners include a pension fund and two independent converters

Greenpac Impact on Value per share

<table>
<thead>
<tr>
<th>EBITDA Cascades using 7x (M$)</th>
<th>EPS</th>
<th>EBITDA multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTM Q1-15 EPS</td>
<td>$0.38</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>$0.08</td>
<td>$1.00</td>
</tr>
<tr>
<td>80</td>
<td>$0.15</td>
<td>$1.88</td>
</tr>
<tr>
<td>100</td>
<td>$0.23</td>
<td>$2.77</td>
</tr>
<tr>
<td>Sensitivity</td>
<td></td>
<td>$0.44</td>
</tr>
</tbody>
</table>

¹ Greenpac is not consolidated in the results and balance sheet since Cascades does not have effective control under IFRS
² For illustration purposes only. Value by segment do not necessary reflect the Corporation’s view on their respective value
CONTAINERBOARD
Our Strategic Move: Greenpac

• New breed of maximum strength performance linerboard
• One of the best sustainable option for fibre reduction
• Through a fibre segregation process, longer and stronger fibres directed to the top layer to increase the resistance to tearing and cracking while retaining outstanding printing surface
• A thin film of starch is then applied to both fibre plies with a size press, dried and calendared
• The process enhances the cross-directional compression strength of the linerboard and improves the smoothness of the sheet
• Currently offered in five strength categories (from 26lbs to 35lbs); capacity to go as low as 20lbs

XP Product increasing compression strength by ~12% % over regular high performance grades in North America
BOXBOARD EUROPE
Stronger and Leaner Production Platform

• ~58% ownership of RdM, a public Italian company, and 100% of a virgin board mill in France
• Rationalization of production capacity (from 10 machines to 7 and closure of Djupafors mill) and consolidation of sales forces have resulted in improved performance
• Structure simplification and modernization investments are improving the position on the cost curve
• Almazan mill is no longer a strategic asset and is available for sale

#2 Producer of Boxboard in Europe

Boxboard Europe Group’s Performance

(M CAN$)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>LTM Q1-15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>41</td>
<td>43</td>
<td>57</td>
<td>72</td>
<td>65</td>
</tr>
<tr>
<td>Energy</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
<td>9%</td>
<td>8%</td>
</tr>
</tbody>
</table>

: Energy credits totaling $5M in 2013, $9M in 2014 and $4M in LTM Q1-15

Source: Reno de Medici’s public disclosure
April 9, 2015
« Mayr-Melnhof, Careo and Fiskeby announced a price increase for white-lined chipboard of €60-65/tonne, effective for new orders from May 4th. »

June 11, 2015
« Prices are beginning to move up on the European recycled cartonboard market amid demand spikes in the second quarter »
## SPECIALTY PRODUCTS GROUP
**Stable Source of Revenue and Unique Platform for Innovation**

- Diverse and stable revenue stream with leading market positions
- Recent initiatives have included
  - Sale of Fine Papers division (3 units)
  - Exit from the kraft paper market (1 unit)

### Industrial Packaging Products (~40% of sales\(^1\))
- Leading producer of papermill packaging
- 12 units
- JV Share of EBITDA $10-$15M

### Consumer Packaging Products (~15% of sales\(^1\))
- Largest producer of honeycomb in Canada
- 6 units

### Recycling and Recovery (~35% of sales\(^1\))
- Largest recycled paper collector in Canada through 73% interest in Cascades Recovery
- 18 units

### Other Products (~10% of sales\(^1\))
- 2 units
- Vinyl backing
- Deinked pulp

\(^1\) Including 100% of joint ventures
TISSUE PAPERS
Strong Position Across the North American Tissue Market

Sales by Geography (2014)

- Canada (27%)
  - Away-from-Home 46%
  - At-Home 54%
- U.S. (73%)
  - Away-from-Home 53%
  - At-Home 47%

Sales by End Markets (2014)

- Private Label 48%
- Branded 52%
- Parent Rolls 15%
- Away-from-Home 43%
- At-Home 42%

Tissue Market Demand

- Indexed U.S. Tissue Demand
- Historical CAGR 1.8%

North American Tissue Capacity Additions

- 2009 New capacity: 8,365
- 2011 New capacity: 8,514
- 2013 New capacity: 8,686
- 2015 New capacity: 9,032
- 2017 New capacity: 9,451

CAGR 2.1%

Source: RISI
OTHER INVESTMENTS
Boralex Inc.

- Publicly traded independent power producer
- Legacy ownership
  - Following the recent transaction, ownership of ~27%
- Pro forma recently announced convertible debentures offering:
  - Enterprise value: $2,039M
  - Market capitalization: $642M
- Strong potential of growth
  - Solid pipeline of projects
  - Sizeable footprint in Europe
  - Option to acquire an interest in a major project in Ontario (230 MW)

1 Results presented on a proportional consolidation basis; refer to Boralex website for more details
OUR STRATEGIC ACTION PLAN

1. Modernize
   core operations through focused investments

2. Optimize
   capital allocation and reduce working capital

Focus on operations to drive increased profitability and operating cash flows

3. Restructure
   underperforming units

4. Innovate
   to improve and develop processes and products
1 MODERNIZE

**Containerboard – Manufacturing**
- Construction of the Greenpac linerboard mill in Niagara Falls, NY

**Containerboard – Converting**
- Consolidation of the platform in Ontario
- Recent investments in Québec

**Tissue Papers – Manufacturing**
- Installation of a new paper machine in Oregon (Q4-2014)

**Tissue Papers – Converting**
- Additional converting capacity in Arizona and North Carolina
- $25M upgrade at Candiac and Kingsey Falls facilities

**Boxboard Europe – Manufacturing**
- Rebuild of a paper machine at Santa Giustina mill

**Corporate**
- ERP system
- On-going initiatives to improve our business processes
Corporate initiative – Improving working capital management

Allocate capital towards core sectors – Tissue papers example

- Acquisition and conversion of Boise paper machine adjacent to our existing tissue machine
  - Increase capacity by 55,000 tons on a faster timeline and a lower cost per ton
  - Improve overall operating efficiency of the mill and market reach
  - US$40M cost and start-up in Q4-2014
- Installation of a new tissue converting facility in Wagram, NC
  - Increase presence in the fast growing Southeastern US area
  - US$45M cost with start-up in Q4-2014

Working capital includes accounts receivable (excluding the short term portion of other assets) plus inventories less accounts payable.
3 RESTRUCTURE

15 closures

- Containerboard:
  - 1 manufacturing mill + 5 converting plants
- Boxboard North America:
  - 1 converting plant
- Boxboard Europe:
  - 3 mills + 1 paper machine
- Specialty Products:
  - 1 pulp mill, 1 industrial packaging plant and 1 specialty paper mill
- Tissue:
  - 1 napkin plant

7 asset sales

- Containerboard – Manufacturing
  - Avot-Vallée mill
- Boxboard
  - Manufacturing - Versailles mill
  - Converting - Dopaco business, Hebron plant
  - 5 units in Canada
- Specialty Products
  - Fine papers division
  - Other small unit
- Europe
  - Announced intention to sell mill in Spain

Third priority of our strategic plan – restructure – mostly behind us
Innovate

Cascades® Antibacterial Towels
Made from 100% recycled fibre.
Special agent activated by water.
Kills over 99.99% of harmful bacteria\(^1\).

Ultratill™
Low-density PETE containing 80% of post-consumer material.

EVOK™
Polystyrene foam packaging using recycled material.

\(^1\) Based on third party laboratory testing.
OPERATING PERFORMANCE AND FINANCIAL SITUATION
Q1 2015 Performance Update

• Sales driven by:
  • volume increases in the Containerboard and Tissue Papers segments, and
  • favorable foreign exchange rates
• Offset by lower average selling prices (except Containerboard)
• Higher EPS contribution from our equity investments

<table>
<thead>
<tr>
<th>Q1 2015 Snapshot</th>
<th>Q1 ’15</th>
<th>Q1 ’14</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$910</td>
<td>$863</td>
<td>$47</td>
</tr>
<tr>
<td>Growth</td>
<td>5%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>$28</td>
<td>$36</td>
<td>($8)</td>
</tr>
<tr>
<td>Margin</td>
<td>3%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>EBITDA(^1)</td>
<td>$85</td>
<td>$75</td>
<td>$10</td>
</tr>
<tr>
<td>Margin</td>
<td>9%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Net Earnings(^1)</td>
<td>$17</td>
<td>$1</td>
<td>$16</td>
</tr>
<tr>
<td>EPS(^1)</td>
<td>$0.18</td>
<td>$0.01</td>
<td></td>
</tr>
</tbody>
</table>

Focus remains on managing balance sheet and enhancing core operations

\(^1\) EBITDA, Net Earnings and EPS excluding specific items
OPERATING PERFORMANCE AND FINANCIAL SITUATION

Historical Segmented EBITDA

Containerboard

Boxboard Europe

Specialty Products

Tissue Papers

Green line represents segment EBITDA as percent of total Company EBITDA; EBITDA excluding specific items.
OPERATING PERFORMANCE AND FINANCIAL SITUATION
Proportionate Consolidation

<table>
<thead>
<tr>
<th>(in millions of Canadian dollars)</th>
<th>As reported (IFRS)</th>
<th>Proportionate consolidation¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q1-2015 Selected financial data</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>910</td>
<td>878</td>
</tr>
<tr>
<td>EBITDA excluding specific items</td>
<td>85</td>
<td>95</td>
</tr>
<tr>
<td>EBITDA excluding specific items - margin (%)</td>
<td>9.3%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Total assets</td>
<td>3,719</td>
<td>3,741</td>
</tr>
<tr>
<td>Net debt²</td>
<td>1,691</td>
<td>1,842</td>
</tr>
<tr>
<td>Net debt/EBITDA excl. specific items ratio (x)³</td>
<td>4.8x</td>
<td>4.8x</td>
</tr>
</tbody>
</table>

Our investment in Greenpac improves the profile on a proportionate basis

¹ Mainly Greenpac at 59.7%, Sonoco JVs at 50%, Reno de Medici at 57.6% and Recovery at 73%.
² Proportionate net debt includes a subordinated loan of Greenpac to be repaid upon receipt of U.S. tax credits amounting to approximately $34 million on a proportionate basis.
³ Ratio as reported based on LTM EBITDA excluding specific items; ratio under proportionate consolidation based on run rate EBITDA of $380 million.
OPERATING PERFORMANCE AND FINANCIAL SITUATION

Strong Financial Momentum

Results progressed as productivity, FX and pricing environment improved
OPERATING PERFORMANCE AND FINANCIAL SITUATION
Cash Flow and Free Cash Flow per Share

**Cash Flow From Operating Activities**

<table>
<thead>
<tr>
<th>Year</th>
<th>(M CAN$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>155</td>
</tr>
<tr>
<td>2013</td>
<td>233</td>
</tr>
<tr>
<td>2014</td>
<td>277</td>
</tr>
<tr>
<td>LTM 3/31/15</td>
<td>255</td>
</tr>
</tbody>
</table>

**Free Cash Flow per Share**

<table>
<thead>
<tr>
<th>Year</th>
<th>(CAN$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>0.28</td>
</tr>
<tr>
<td>2013</td>
<td>0.82</td>
</tr>
<tr>
<td>2014</td>
<td>0.91</td>
</tr>
<tr>
<td>LTM 3/31/15</td>
<td>0.76</td>
</tr>
</tbody>
</table>

- Cash flows have grown at a 25% CAGR since 2012
- Improving cash flows driven by Strategic Action Plan

Negative impact of interest payments in Q1-2015 since 2014 refinancing

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1 Excluding specific items
2 Excluding increase in investments
OPERATING PERFORMANCE AND FINANCIAL SITUATION

Capital Expenditures

- 2015 level to be lower (~$150M), including IT
  - Including ~$60-70M of maintenance capex
  - Mostly dedicated towards tissue

Capex Distribution for FY2014 – $179M (excluding IT)

- Capital expenditures for LTM 3/31/15 stood at $166 million
- Divestitures and free cash flow have funded capital expenditures
OPERATING PERFORMANCE AND FINANCIAL SITUATION
Managing our Debt During our Modernization Phase

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt 12/31/2012</th>
<th>Cash flow from operations</th>
<th>Discontinued operations</th>
<th>Var. in non-cash work cap. components</th>
<th>Dividends paid, shares buyback &amp; others</th>
<th>Capital investments &amp; others</th>
<th>Net debt after continuing operations</th>
<th>FX</th>
<th>Net Debt 03/31/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,535</td>
<td>(511)</td>
<td>(89)</td>
<td>32</td>
<td>54</td>
<td></td>
<td>1,463</td>
<td>228</td>
<td>1,691</td>
</tr>
</tbody>
</table>
Cascades' bank debt financial covenant ratios

- Net funded debt to capitalization < 65% (currently at 60.7%)
- Interest coverage ratio > 2.25x (currently at 3.53x)

Net debt to EBITDA ratio should continue to improve in 2015
OPERATING PERFORMANCE AND FINANCIAL SITUATION

Maturities

- Over last 12 months, refinanced over $1 billion of senior notes
  - Resulted in interest savings of ~$23 million
  - Extended maturities to 2021, 2022 and 2023
  - $750 million revolving facility to be renewed before February 2016

Refinancings in 2014 and 2015 resulting in +US$20 million interest savings
## INVESTMENT CONSIDERATIONS

Analyst recommendations

<table>
<thead>
<tr>
<th>Dealer</th>
<th>Recommendation</th>
<th>Target</th>
<th>EBITDA Q2 2015</th>
<th>EPS Q2 2015</th>
<th>EBITDA 2015</th>
<th>EPS 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUNDEE CAPITAL MARKETS</td>
<td>Buy</td>
<td>9.50</td>
<td>$101</td>
<td>$0.20</td>
<td>397</td>
<td>$0.83</td>
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<tr>
<td>NATIONAL BANK FINANCIAL</td>
<td>Outperform</td>
<td>9.00</td>
<td>$97</td>
<td>$0.20</td>
<td>373</td>
<td>$0.76</td>
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<td>Aghazarian L</td>
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<tr>
<td>RBC CAPITAL MARKETS</td>
<td>Outperform</td>
<td>9.00</td>
<td>$94</td>
<td>$0.19</td>
<td>374</td>
<td>$0.88</td>
</tr>
<tr>
<td>Patel H</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>SCOTIA CAPITAL</td>
<td>Sector outperform</td>
<td>9.00</td>
<td>$96</td>
<td>$0.20</td>
<td>368</td>
<td>$0.75</td>
</tr>
<tr>
<td>Laprade B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TD SECURITIES</td>
<td>Buy</td>
<td>8.00</td>
<td>$101</td>
<td>$0.21</td>
<td>368</td>
<td>$0.67</td>
</tr>
<tr>
<td>Steuart S</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>AVERAGE</td>
<td></td>
<td>8.90</td>
<td>$98</td>
<td>$0.20</td>
<td>376</td>
<td>$0.78</td>
</tr>
</tbody>
</table>

Outperform rating by most sell-side analysts
## INVESTMENT CONSIDERATIONS

### Valuation metrics

<table>
<thead>
<tr>
<th>Sector</th>
<th>Comparable companies</th>
<th>Enterprise Value (M$)</th>
<th>Price / BV</th>
<th>LTM EV / EBIDTA</th>
<th>EV / EBITDA 2015</th>
<th>P / E 2015</th>
<th>Dividend yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Packaging Products</strong></td>
<td>Graphic Packaging</td>
<td>US$6,534</td>
<td>4.4x</td>
<td>12.5x</td>
<td>8.2x</td>
<td>16.1x</td>
<td>1.5%</td>
</tr>
<tr>
<td></td>
<td>Kapstone</td>
<td>US$3,562</td>
<td>3.1x</td>
<td>8.3x</td>
<td>6.7x</td>
<td>10.9x</td>
<td>1.5%</td>
</tr>
<tr>
<td></td>
<td>International Paper</td>
<td>US$28,998</td>
<td>4.4x</td>
<td>8.5x</td>
<td>6.7x</td>
<td>11.8x</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>PCA</td>
<td>US$8,808</td>
<td>4.2x</td>
<td>8.0x</td>
<td>7.2x</td>
<td>12.8x</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>Rock Tenn</td>
<td>US$11,595</td>
<td>2.0x</td>
<td>7.8x</td>
<td>6.3x</td>
<td>13.6x</td>
<td>1.4%</td>
</tr>
<tr>
<td></td>
<td>Sonoco</td>
<td>US$5,572</td>
<td>3.0x</td>
<td>8.8x</td>
<td>7.9x</td>
<td>15.4x</td>
<td>2.9%</td>
</tr>
<tr>
<td><strong>Average - Packaging</strong></td>
<td></td>
<td>US$10,845</td>
<td>3.5x</td>
<td>9.0x</td>
<td>7.2x</td>
<td>13.4x</td>
<td>2.2%</td>
</tr>
<tr>
<td><strong>Tissue Papers</strong></td>
<td>Clearwater Paper</td>
<td>US$1,639</td>
<td>2.4x</td>
<td>10.0x</td>
<td>6.4x</td>
<td>11.2x</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>KP Tissue</td>
<td>US$1,222</td>
<td>1.0x</td>
<td>9.5x</td>
<td>8.9x</td>
<td>22.2x</td>
<td>4.5%</td>
</tr>
<tr>
<td></td>
<td>Orchids Paper</td>
<td>US$285</td>
<td>2.1x</td>
<td>12.7x</td>
<td>6.0x</td>
<td>12.0x</td>
<td>6.0%</td>
</tr>
<tr>
<td></td>
<td>Wausau</td>
<td>US$640</td>
<td>3.6x</td>
<td>13.7x</td>
<td>8.7x</td>
<td>NMF</td>
<td>1.3%</td>
</tr>
<tr>
<td><strong>Average - Tissue</strong></td>
<td></td>
<td>US$947</td>
<td>2.3x</td>
<td>11.5x</td>
<td>7.5x</td>
<td>15.1x</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Cascades</strong></td>
<td></td>
<td>$716</td>
<td>0.8x</td>
<td>6.9x</td>
<td>6.5x</td>
<td>7.9x</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Data as of June 15, 2015

*Undervalued compared to peer group*
**NEAR TERM OUTLOOK**

- Stronger season for packaging products in North America and Tissue Papers
- Announced price increase in Europe
- Price increase in corrugated boxes in Canada
- Favourable FX environment
- Favourable OCC environment
- Lower energy costs (seasonal)

<table>
<thead>
<tr>
<th></th>
<th>Boxboard Europe</th>
<th>Containerboard</th>
<th>Specialty Products</th>
<th>Tissue Papers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volume</strong></td>
<td>Slight increase</td>
<td>Slight increase</td>
<td>Slight increase</td>
<td>Slight increase</td>
</tr>
<tr>
<td><strong>Average Selling prices</strong></td>
<td>Slight increase</td>
<td>Stable</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td><strong>Raw material costs</strong></td>
<td>Slight increase</td>
<td>Stable</td>
<td>Stable</td>
<td>Slight increase</td>
</tr>
<tr>
<td><strong>CAN$ vs other currency</strong></td>
<td>Stable</td>
<td>Stable</td>
<td>Stable</td>
<td></td>
</tr>
<tr>
<td><strong>Energy costs</strong></td>
<td>Slight decrease</td>
<td>Slight decrease</td>
<td>Slight decrease</td>
<td>Slight decrease</td>
</tr>
</tbody>
</table>

- Competitive tissue market
- Ramp-up of two new tissue sites
- Potential pressure for recovered paper prices in Europe
- Recycled fibre export prices
# Potential Benefits Stemming from Our Initiatives

## Modernizing our operating platform to increase profitability
- ±$150M capex program per year, including ERP upgrade
- Divestitures and closures of under-performing units
- Containerboard: great fundamentals and improved platform
  - Modernized converting platform and manufacturing productivity improvement
  - Greenpac to positively contribute to EPS in 2015
- Tissue Papers: strong and growing position in North America
  - Increasing presence in the US with recent expansion initiatives

## Other sources of growth and incremental value
- Culture of innovation
- Good performance from European platform and hidden value of Boralex investment
- On-going initiatives to improve our business processes

## Potential tailwinds
- CAD$ weakness
- Economic recovery in Canada, the US and Europe
- Chinese’s economy weakness and impact on recovered paper prices
- Lower oil and gas costs

Taking the right steps to position Cascades for the future
APPENDIX
FOREIGN EXCHANGE

Exchange rates

Hedging Program – USD Cash flows

2015
- 26% to 48% of exposure (net of interest) hedged at an average rate of 1.11 CAN$/US$ to 1.16 CAN$/US$

2016
- 32% to 64% of exposure (net of interest) hedged at an average rate of 1.13 CAN$/US$ to 1.16 CAN$/US$

As a percentage of LTM 03/31/2015 EBITDA
- Between 10% to 20% hedged for next 12 to 24 months

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1 2014</th>
<th>Q1 2015</th>
<th>Q1 2015</th>
<th>Q4 2014</th>
<th>Q4 2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0.971</td>
<td>0.906</td>
<td>0.917</td>
<td>0.918</td>
<td>0.881</td>
<td>0.906</td>
</tr>
<tr>
<td>2014</td>
<td>0.906</td>
<td>0.806</td>
<td></td>
<td></td>
<td></td>
<td>(11%)</td>
</tr>
<tr>
<td>2015</td>
<td>0.806</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(4%)</td>
</tr>
</tbody>
</table>

Source: Bloomberg
ENERGY PRICES

Hedging Program – Natural gas

- Canada:
  - 2015: 73% at 4.67 CAN$/GJ
  - 2016: 61% at 4.08 CAN$/GJ

- U.S.:
  - 2015: 49% at 4.71 US$/mmBtu
  - 2016: 38% at 4.67 US$/mmBtu

<table>
<thead>
<tr>
<th>Averages</th>
<th>2013 (Year)</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2014 Year</th>
<th>Q1</th>
<th>2015</th>
<th>Q1 2014</th>
<th>Q4 2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy prices</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural gas Henry Hub</td>
<td>3.65</td>
<td>4.94</td>
<td>4.67</td>
<td>4.06</td>
<td>4.00</td>
<td>4.42</td>
<td>2.98</td>
<td>(40%)</td>
<td>(25%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(US$/mmBtu)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crude oil WTI</td>
<td>96.73</td>
<td>98.89</td>
<td>101.33</td>
<td>102.40</td>
<td>83.30</td>
<td>96.48</td>
<td>51.08</td>
<td>(48%)</td>
<td>(39%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(US$/barrel)</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Bloomberg
NOTES

1. Comparable companies include:
   - Graphic Packaging, IP, KapStone, Packaging Corp. and Rock Tenn for Containerboard.
   - Holmen, Mayr Melnhof, Metsä Board and Stora Enso for Boxboard Europe.
   - CCL Industries, Sealed Air, Sonoco and Winpak for Specialty Products.

2. EBITDA excluding specific items for Cascades’ numbers.

3. Minority interest adjustments estimated for Reno (58% ownership) and Cascades Recovery (73% ownership).

For more information: www.cascades.com/investors

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